

## Message Text

CONFIDENTIAL

PAGE 01 VIENNA 00609 01 OF 02 241516Z  
ACTION IO-14

INFO OCT-01 ARA-10 EUR-12 ISO-00 IOE-00 SSO-00 NSCE-00  
INRE-00 ACDA-12 CIAE-00 INR-07 L-03 NSAE-00 EB-08  
NRC-05 OES-07 SOE-02 DODE-00 SS-15 SP-02 /098 W  
-----119099 241539Z /43

O 241501Z JAN 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC IMMEDIATE 4849  
INFO AMEMBASSY BUENOS AIRES PRIORITY  
AMEMBASSY LIMA PRIORITY  
USDOEHQ WASHDC IMMEDIATE  
USDOEHQ GERMANTOWN IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 02 VIENNA 00609

USIAEA

DEPT PASS IO/SCT

E.O. 11652: GDS  
TAGS: PARM, TECH, MNUC, IAEA, AR, PE  
SUBJECT: NEGOTIATION OF ARGENTINE-PERU-U.S.-IAEA  
AGREEMENT RE U.S. FUEL FOR PERU

REF: LIMA 465

1. DURING SUBJECT NEGOTIATION SESSION AFTERNOON JANUARY 23, PERUVIAN RESREP AMB. GUSTAVO SILVA ARANDA PRESENTED AGENCY SECRETARIAT AND MISOFFS WITH DRAFT AGREEMENT TEXT WHICH OBVIOUSLY WAS SLIGHT REDRAFT OF TEXT TRANSMITTED REFTEL. SILVA ALSO PRESENTED DRAFT OF U.S. NOTE WHICH APPEARS IDENTICAL, REGRETTABLY, TO THAT TRANSMITTED REFTEL. AFTER FOUR-HOUR INITIAL DISCUSSION OF SILVA DRAFT AGREEMENT TEXT, DURING WHICH SECRETARIAT (FISCHER, HA-VINH PHUONG AND RAINER) AND MISOFFS IDENTIFIED PROBABLE PROBLEMS AND SOUGHT EXPLANATIONS, SESSION  
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PAGE 02 VIENNA 00609 01 OF 02 241516Z

ADJOURNED UNTIL FOLLOWING MORNING.

2. DIFFERENCES IN SILVA DRAFT AGREEMENT TEXT FROM THAT TRANSMITTED REFTEL ARE:

A. ADDITIONAL PARA, REFERRING TO U.S.-IAEA AGREEMENT FOR COOPERATION AS AMENDED ON FEBRUARY 12, 1974 INSERTED AS

FIFTH PREAMBULAR CLAUSE.

B. FINAL PREAMBULAR CLAUSE ADDED READING QUOTE WHEREAS THE BOARD OF GOVERNORS OF THE AGENCY APPROVED THE AGREEMENT ON BLANK FEBRUARY 1978; UNQUOTE. COMMENT: AGREEMENT REFERRED TO IS UNSPECIFIED. END COMMENT.

C. IN FIRST TARA ARTICLE 1, REFERENCE IS TO QUOTE RESEARCH REACTOR SUPPLIED BY ARGENTINA TO PERU UNQUOTE.

D. IN PARA 2, ARTICLE 1, WORD QUOTE SUPPLIED UNQUOTE IS OMITTED.

E. IN FIRST SENTENCE, PARA 3, ARTICLE 1, PHRASE AFTER COMMA READS QUOTE NEITHER THE UNITED STATES NOR THE AGENCY DO NOT ASSUME UNQUOTE, ETC.

F. PARA 2 OF ARTICLE III OMITTED.

G. IN PARA 2 OF ARTICLE VI, SECOND SENTENCE OMITTED.

H. IN PARA 4 OF ARTICLE VI, OPENING PHRASE READS QUOTE IT IS SPECIFIED THAT THE IMPLEMENTATION UNQUOTE, ETC.

I. PARA 7 OF ARTICLE VI READS, IN ITS ENTIRETY, QUOTE THE GOVERNMENT OF THE REPUBLIC OF PERU SHALL PERMIT THE AGENCY AND THE AGENCY UNDERTAKES TO INFORM THE GOVERN- CONFIDENTIAL

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PAGE 03 VIENNA 00609 01 OF 02 241516Z

MENT OF THE ARGENTINA REPUBLIC AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA OF THE STATUS OF ALL INVENTORIES OF ANY MATERIALS REQUIRED TO BE SAFEGUARDED UNDER THIS AGREEMENT, SHOULD THE GOVERNMENT OF THE ARGENTINE REPUBLIC OR THE GOVERNMENT OF THE UNITED STATES OF AMERICA SO REQUEST. UNQUOTE.

J. IN ARTICLE IX, WORD QUOTE ALL UNQUOTE OMITTED BEFORE QUOTE THE SCIENTIFIC INFORMATION UNQUOTE.

K. IN PARA 2 OF ARTICLE XI, PHRASE QUOTE WHICH LEVELS MAY BE MODIFIED BY MUTUAL CONSENT OF THE PARTIES WITHOUT AMENDMENT OF THIS AGREEMENT UNQUOTE IS OMITTED.

L. IN ARTICLE XI, PARA 3 IS OMITTED.

M. IN PARA 2 OF ARTICLE XIV, OPENING PHRASE READS QUOTE THIS AGREEMENT SHALL CONTINUE IN EFFECT SO LONG AS UNQUOTE, ETC., OMITTING REFERENCE TO SUSPENSION OR TERMINATION AND TO SPECIFIC ARTICLES.

3. NEGOTIATIONS THUS FAR ARE TEDIOUS, WITH CARRERA

(ARGENTINA) MOST DIFFICULT, REFUSING TO CONCEDE, AMONG OTHER THINGS, THAT FUEL ONCE IT IS IN PERU WILL NO LONGER BE SUBJECT TO U.S.-ARGENTINA AGREEMENT FOR COOPERATION. HE HAS OBJECTED TO CONCEDE THAT U.S. SHOULD HAVE RIGHT OF APPROVAL OF TRANSFER OF FUEL BY PERU TO ARGENTINA. MISOFF TOOK POSITION THAT U.S. COULD NOT RPT NOT AGREE IN ADVANCE THAT FUEL COULD, UNDER ALL CIRCUMSTANCES BE RETURNED TO ARGENTINA, POINTING OUT THAT, AT MINIMUM, AGREEMENT FOR COOPERATION BETWEEN U.S. AND ARGENTINA WOULD NEED TO BE IN EFFECT AT THAT TIME.

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PAGE 01 VIENNA 00609 02 OF 02 241520Z

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NRC-05 OES-07 SOE-02 DODE-00 SS-15 SP-02 /098 W  
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C O N F I D E N T I A L SECTION 02 OF 02 VIENNA 00609

MISSION WOULD APPRECIATE GUIDANCE ON THIS POINT.

4. WHEN IT WAS POINTED OUT BY MISOFF, SUPPORTED BY SECRETARIAT, THAT FORMULATION OF BASIC UNDERTAKING (ARTICLE VI PARA 1) WAS DEFECTIVE, CARRERA STATED NECESSITY TO PLACE REFERENCE TO NUCLEAR EXPLOSIVE DEVICES AFTER REFERENCE TO QUOTE MILITARY PURPOSE UNQUOTE IN ORDER TO MAKE CLEAR THAT USE OF MATERIAL FOR, OR RESEARCH AND DEVELOPMENT OF PNES WOULD NOT RPT NOT FURTHER MILITARY PURPOSE. HE CITED TREATY OF TLAHELCO WHICH HE SAID CLEARLY MAKES DISTINCTION. MISOFF REMINDED HIM THAT OTHERS, INCLUDING U.S. DID NOT AGREE WITH THAT INTERPRETATION. FISCHER SUGGESTED FORMULATION ALONG LINES OF QUOTE SUPPLIED MATERIAL SHALL NOT BE USED FOR THE MANUFACTURE OF NUCLEAR WEAPONS OR TO FURTHER ANY OTHER MILITARY PURPOSE OR FOR THE MANUFACTURE OF ANY OTHER NUCLEAR EXPLOSIVE DEVICE OR

FOR RESEARCH ON OR THE DEVELOPMENT OF NUCLEAR WEAPONS  
OR ANY OTHER NUCLEAR EXPLOSIVE DEVICE. UNQUOTE.  
GUIDANCE REQUESTED ON ACCEPTABILITY OF THIS FORMULATION.

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PAGE 02 VIENNA 00609 02 OF 02 241520Z

5. MISOFF CALLED ATTENTION TO OMISSION OF PARA 2 AND  
MUCH OF PARA 3 OF ARTICLE VII OF U.S. DRAFT AND ASKED  
SILVA WHETHER PERU INTENDED THAT THOSE POINTS BE  
ADDRESSED IN EXCHANGE OF NOTES WITH U.S. AS FAR AS  
MISOFF COULD DETERMINE FROM HIS ANSWER, SILVA DID NOT  
RULE OUT THAT POSSIBILITY. MISOFF REMINDED SILVA THAT  
INTENTION OF ARTICLE VII PARA 2 IN U.S. DRAFT WAS NOT  
RPT NOT TO ADDRESS MOVEMENTS OF THE MATERIAL WITHIN  
PERU, AS LONG AS NPT SAFEGUARDS AGREEMENT WAS IN FORCE.  
IT WAS AT THIS POINT THAT CARRERA RAISED QUESTION OF U.S.  
APPROVAL OF RETURN OF MATERIAL TO ARGENTINA.

6. SECRETARIAT EXPRESSED PREFERENCE THAT PARA 6 OF  
ARTICLE VI IN SILVA DRAFT BE OMITTED FROM AGREEMENT AND  
MADE SUBJECT OF UNDERSTANDINGS AMONG GOVERNMENTS CON-  
CERNED.

7. THROUGHOUT DISCUSSION, SECRETARIAT MADE CLEAR THAT IT  
DID NOT RPT NOT REQUIRE INCLUSION OF CERTAIN PROVISIONS  
SUCH AS SILVA DRAFT PARA 2 OF ARTICLE VI, CALLING FOR  
AGENCY APPROVAL OF STORAGE. MOST DIFFICULT JOB  
SECRETARIAT HAD WAS CONVINCING ARGENTINES OF NECESSITY  
FOR IDENTIFYING QUOTE PROJECT UNQUOTE PER ARTICLE XI OF  
AGENCY STATUTE, AS SOR EXAMPLE QUOTE OPERATION OF RESEARCH  
REACTOR UNQUOTE. SOME HEADWAY WAS MADE (ESTRADA HAD  
ALREADY IN EARLIER DISCUSSIONS CONCEDED POINT) AND  
MISSION HAS JUST BEEN INFORMED BY ESTRADA THAT SESSION  
SCHEDULED DOR MORNING JANUARY 24 HAS BEEN POSTTONED TO  
AFTERNOON TO PERMIT NEW DRAFTS OF TWO AGREEMENTS: A  
QUOTE PROJECT AGREEMENT UNQUOTE AND A QUOTE SUPPLY  
AGREEMENT UNQUOTE, LATTER TO ADDRESS ONLY FUEL.

8. MISSION APPRECIATES RECEIPT FROM EMBASSY LIMA OF  
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PAGE 03 VIENNA 00609 02 OF 02 241520Z

ADVANCE TEXT TRANSMITTED REFTTEL WHICH WAS VERY USEFUL  
IN NREPARING GOR DISCUSSIONS.

9. MISSION WILL REEORT FURTHER DEVELOPMENTS AND WOULD  
APPRECIATE GUIDANCE SOONEST FROM DEPARTMENT ON POINTS

NOTED ABOVE, TOGETHER WITH ANY OTHER OBSERVATIONS ON  
ACCEPTABILITY OF DEPARTURES FROM U.S. DRAFT IN SILVA  
DRAFT, SINCE WE ANTICIPATE THAT DRAFT QUOTE SUPPLY  
AGREEMENT UNQUOTE UNDER PREPARATION WILL DEPART IN  
SIMILAR FASHION FROM RELEVANT PROVISIONS OF U.S.  
DRAAT. STONE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Decaption Note:**  
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**Litigation History:**  
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**TAGS:** PARM, TECH, MNUC, AR, PE, US, IAEA  
**To:** STATE  
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